

LAWRENCE G. WASDEN
Attorney General

ALAN CONILOGUE
Deputy Attorney General
State of Idaho
P. O. Box 83720
Boise, ID 83720-0031
Telephone: 208.332.8093
Fax: 208.332.8016
ISBN 3196

**BEFORE THE DIRECTOR OF THE DEPARTMENT OF FINANCE
OF THE STATE OF IDAHO**

STATE OF IDAHO, DEPARTMENT OF
FINANCE, SECURITIES BUREAU,

Complainant,

vs.

TYREE MACKEY, JEREMY KING, PAT
G. MINER and MILLENNIAL
FINANCIAL GROUP, INC.,

Respondents.

Docket No. 2007-07-35

CONSENT ORDER

BACKGROUND AND SCOPE OF ORDER

The Idaho Department of Finance, Securities Bureau (Department) has conducted an investigation into allegations that Respondents Tyree Mackey, Jeremy King, Pat G. Miner and Millennial Financial Group, Inc. violated Idaho's Uniform Securities Act (Act) in connection with the solicitation of investments for the purchase of viaticals through Steven L. Bowers and Patent Holding, Inc.

Respondent Miner, with the advice of counsel, hereby agrees to the entry of this Consent Order to resolve the Bureau's allegations in this administrative proceeding relating to Respondent's securities activities in Idaho.

RESPONDENTS

1. Respondent Tyree Mackey (Mackey) is an individual living in Driggs, Idaho at all times material to this action. Mackey has done business as a member of Millennial Financial Group, Inc., as "Living Family Dreams," a sole proprietorship, and as part of an unnamed joint venture with Steven L. Bowers and Patent Holding, LLC, a Utah limited liability company, and with Respondents Jeremy A. King and Pat G. Miner.

2. Respondent Jeremy A. King (King) is an individual living in Lehi, Utah at all times material to this action. King has done business as a member of Millennial Financial Group, Inc., and as part of an unnamed joint venture with Steven L. Bowers and Patent Holding, LLC, a Utah limited liability company, and with Respondents Tyree Mackey and Pat G. Miner.

3. Respondent Pat G. Miner (Miner) is an individual living in Provo, Utah at all times material to this action. Miner has done business as part of an unnamed joint venture with Steven L. Bowers and Patent Holding, LLC, a Utah limited liability company, and with Respondents Tyree Mackey and Jeremy King. By her signature below Miner submits herself to the jurisdiction of the Bureau for purposes of implementation of this Order, and to the jurisdiction of the courts of the State of Idaho for purposes of enforcement of any violation of this Order or of Idaho securities law.

4. Respondent Millennial Financial Group, Inc. (Millennial) is a corporation incorporated in Utah on November 10, 2004 at the address 880 S. 1660 W., Lehi, Utah, 84043. Millennial is no longer in good standing, its status having expired on November 10, 2006 for failure to renew.

5. Although not a Respondent in this action, Steven L. Bowers (Bowers) participated, and in fact was the central player, in the illegal investment.

FINDINGS BY THE BUREAU

6. King had lived in the Driggs, Idaho area for several years before moving to Utah, and during that time became acquainted with Mackey. They continued their acquaintance after King moved. King and Mackey were involved in various real estate transactions for profit in 2005.

7. King and Mackey knew Idaho residents JW and EW from personal acquaintance, the Ws also living in the Driggs area. During the course of their acquaintance, the Ws had become impressed with Mackey's and King's business acumen and desired to invest with them. The Ws, doing business as an LLC, wrote a check to Living Family Dreams dated March 31, 2005, in the amount of \$160,000, as a loan to King and Mackey for the purpose of buying and selling real estate.

8. Very soon after receiving the \$160,000 from the Ws, King became aware of an alleged opportunity to purchase life insurance policies and then resell them at a higher price. He shared this information with Mackey, and in pursuit of this opportunity, King and Mackey met with Steven L. Bowers and Pat G. Miner, who were promoting the investment.

9. Bowers described a lucrative investment opportunity in viaticals. He asserted that they had access to purchase life insurance policies at 35% of face value, and that they had investors "lined up" to purchase the policies at 50% of face value. Bowers further asserted that they could turn (purchase and sell) the policies within a month.

10. Bowers described the investment as essentially risk free due to the low purchase price, the nature of such insurance policies, and other vague assurances. Bowers offered to share the lucre with King and Mackey.

11. This sounded good to King and Mackey and, without speaking to the Ws in advance, they decided to commit \$100,000 of the Ws' Living Family Dreams investment to Bowers' viatical investment scheme. On April 13, 2005, King and Mackey executed an agreement with Patent Holding, LLC and Bowers to provide the Ws' \$100,000 for 60 days, with options to renew.

12. Mackey met with the Ws after April 13, 2005, explained the investment, and promised a return of 5% per month. The Ws ratified the investment.

13. The Ws traveled to Utah and met with King, Mackey, Bowers, and Miner. The investment was again explained as returning 5% per month and essentially risk free. The Ws were offered an opportunity to participate in the investment. Lured by these promises, the Ws authorized that their remaining \$60,000 of the \$160,000 invested with Living Family Dreams, be placed with Bowers. The Ws also decided to invest an additional \$135,000, and around April 26, 2005, provided a cashier's check to Respondent Millennial for that purpose. By this time the Ws had transferred \$295,000 to Respondents.

14. The Ws asked for documentation of the investment, so the principals drafted an "Installment Note" evidencing the debt. The note, given in favor of the Ws' LLC, was signed by King as President of Millennial, by Mackey as Director of Millennial, and by Bowers as President of Patent Holding, Inc. The note stated \$300,000 was owed, even though the Ws only transferred \$295,000 to the investment. The \$5,000 difference was said by the principals to reflect interest already earned by the Ws on the early investment of \$100,000.

15. Unbeknownst to the Ws, Bowers told King and Mackey to keep the Ws' remaining \$60,000 as earnings on the Ws' initial \$100,000 investment and as a finders fee for bringing the Ws to the viatical investment.

16. No viaticals were ever purchased. Instead, Bowers used the Ws' money for various personal reasons. When the initial \$100,000 was deposited into Bowers' account on April 13, 2005, it was \$3,021.87 overdrawn, so that amount was immediately lost. Bowers wrote a check to Miner in the amount of \$6,000 on April 15, 2005, and another to Miner in the amount of \$24,000 on April 18, 2005. Bowers transferred \$9,691.50 to his personal checking account, he bought a Mustang automobile for \$13,375, he wrote checks to himself totaling \$6,400, he paid \$6,000 in commissions to individuals, he paid \$14,000 to other individuals, and he otherwise paid personal expenses. By April 25, 2005, when Bowers received \$135,000 from the Ws, he had only \$2,449.23 left in his checking account. Bowers similarly frittered away the Ws' second investment, the \$135,000, on his personal expenses, and by July 1, 2005, he had spent the entire amount.

17. The Ws received not a single payment pursuant to the "Installment Note."

18. Mackey and King have paid the Ws \$20,000, and have vowed to repay the entire \$295,000.

19. The "Installment Note" is a security as defined by Idaho Code § 28-14-102(28). The agreement among the parties to accept investor money and purchase viaticals is an investment contract security under Idaho Code § 28-14-102, which provides that a security "(e) Includes as an "investment contract" ... an investment in a viatical settlement, life settlement, senior settlement, or similar agreement."

20. The security was never registered with the Idaho Department of Finance.

21. Bowers and Respondents Mackey, King and Miner, never registered with the Idaho Department of Finance as broker-dealers or as agents of a broker-dealer.

VIOLATIONS

COUNT ONE: OFFER OR SALE OF UNREGISTERED SECURITY

22. The "Installment Note" provided to the Ws, and the underlying contract, constitute a security within the meaning of Idaho Code § 30-14-102(28).

23. Idaho Code § 30-14-301 provides that it is unlawful for a person to offer or sell a security in Idaho unless: (a) the security is a federal covered security; (b) the security, transaction or offer is exempted from registration under Idaho Code §§ 30-14-201 through 30-14-203; or (c) the security is registered under the Act. The security offered and sold by Respondents is not a federal covered security, it is not exempt from the registration requirement of Idaho Code § 30-14-301, and it is not registered under the Act.

24. Respondent Miner's statements to the Ws explaining viatical investments and encouraging them to invest constituted the offer or sale of a security to Idaho residents. Further, her statements in aid of the sales presentation, and her efforts to promote the investment, caused her to materially aid Steven Bowers in a violation of Idaho's Uniform Securities Act.

25. Making an offer without properly registering such security with the Idaho Department of Finance constitutes a violation of Idaho Code § 30-14-301.

COUNT TWO: FRAUDULENT CONDUCT – OMISSIONS

26. In connection with the offer and sale of securities, Respondent Miner omitted to state material facts to the Ws necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading, in violation of the antifraud provisions of Idaho Code § 30-14-501. Respondent failed to fully disclose, among other omissions, the following:

A. the risks associated with an investment in viaticals;

- B. the financial condition and operating history of the issuers;
- C. the financial and background information of the promoters of the viatical investment program, including that Bowers had filed for bankruptcy in 2001 and received a discharge in 2002;
- D. that the securities offered and sold were not registered for sale in Idaho;
- E. that none of the Respondents nor Bowers were licensed to sell securities in Idaho;
- F. the compensation they would take from the Ws investment;
- G. that Bowers would use the investment monies for personal expenses; and
- H. that no viaticals would be purchased.

27. Based on the foregoing, Respondent has violated Idaho Code § 30-14-501(2).

COUNT THREE: FRAUDULENT CONDUCT—MISREPRESENTATIONS

28. In connection with the offer or sale of securities, Respondent Miner made untrue statements of material fact to the Ws, in violation of the antifraud provisions of Idaho Code § 30-14-501. The misrepresentations include, but are not limited to, the following:

- A. that the Ws would receive an investment return of 5% per month, or 60% per year;
- B. that the investment was essentially risk free;
- C. that the Ws' funds would be secured by viaticals; and
- D. that the Ws' fund would be used to purchase viaticals.

29. By virtue of the foregoing, Respondent has violated Idaho Code § 30-14-501(2).

DISPOSITION AND PENALTY

30. Pat G. Miner neither admits nor denies the allegations set forth in Counts Two and Three, paragraphs 26 through 29, inclusive, of this Consent Order.

31. Pat G. Miner admits the Findings and Violations contained in Count One, paragraphs 22 through 25, inclusive, of this Consent Order.

32. Pat G. Miner consents to the entry of this Consent Order, and submits to the jurisdiction of the Idaho Department of Finance for purposes of implementation of this Order, and to the jurisdiction of the courts of the State of Idaho for purposes of enforcement of any violation of this Order or of Idaho securities law.

33. Pat G. Miner will permanently refrain from engaging in any act or practice that violates any provision of Idaho's Uniform Securities Act (2004) or any rule promulgated thereunder.

34. Pat G. Miner will specifically permanently refrain from engaging in any of the following acts or conduct:

A. Selling or offering for sale nonexempt securities in any form in the state of Idaho unless such securities have been duly registered with the Idaho Department of Finance in accordance with Idaho's Uniform Securities Act (2004).

B. Selling or offering for sale nonexempt securities in any form in the state of Idaho unless Respondents have duly registered as a securities broker-dealer or agent for a broker-dealer with the Idaho Department of Finance in accordance with Idaho's Uniform Securities Act (2004).

C. While engaged in or in connection with the offer, sale or purchase of any security:

- i. Making false and misleading material misrepresentations to prospective investors in connection with the offer, sale or purchase of securities;
- ii. Omitting and failing to disclose material facts to prospective investors in connection with the offer, sale or purchase of securities; and

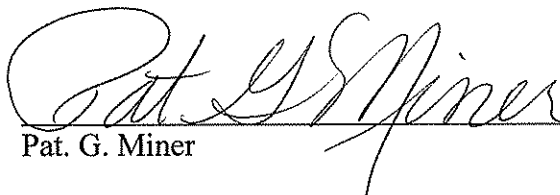
iii. Engaging in transactions, acts, practices, and courses of business which operated as a fraud or deceit upon investors and prospective investors.

35. Pat G. Miner agrees to pay the Ws the amount of \$5,000 as partial restitution, pursuant to Idaho Code § 30-14-604(d).


36. Pat G. Miner will timely and fully cooperate with the Department's reasonable requests for information and documentation to establish restitution to the Ws. This will include providing to the Department's reasonable satisfaction of documentation showing the source of all funds used to make the payments set forth above.

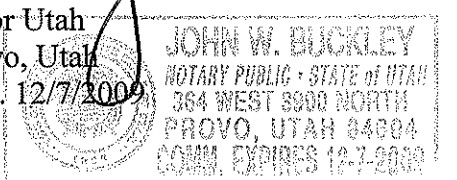
37. The Department will not pursue the violations described in this Consent Order in any administrative or civil action against Pat G. Miner so long as she complies with the terms of this Consent Order.

DATED this 26th day of September, 2008.

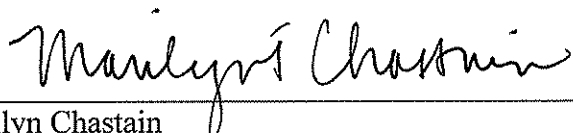

Pat. G. Miner

SUBSCRIBED AND SWORN to before me this 26th day of September, 2008.


Notary Public for Utah
Residing at Provo, Utah
My Comm. Exp. 12/7/2009

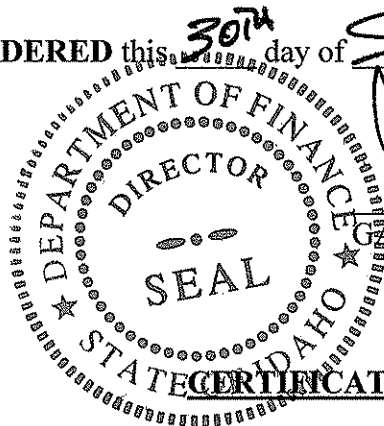


DATED this 30th day of September, 2008.


Marilyn Chastain
Securities Bureau Chief

ORDER

IT IS SO ORDERED this 30th day of SEPTEMBER 2008.



Gavin M. GEE
GAVIN M. GEE, Director

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on this 17th day of August, 2009, I caused a true and accurate copy of the foregoing CONSENT ORDER to be served on the following by the designated means:

Pat G. Miner
383 West 3800 North
Provo, UT 84604

- ☒ U.S. mail, postage prepaid
- ☐ certified mail
- ☐ overnight mail
- ☐ hand delivery
- ☐ fax

John Buckley
3301 N University Ave
Provo, UT 84604

- ☒ U.S. mail, postage prepaid
- ☐ certified mail
- ☐ overnight mail
- ☐ hand delivery
- ☐ fax

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